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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR JORDAN

Note by the Administrator

I. THE PROGRAMMING PROCESS

1. The formulation of the fifth country programme began with the mid-term review of the fourth country programme in February 1990 which set the conceptual framework for the formulation of the fifth country programme by recommending the areas of concentration where UNDP cooperation would have the greatest impact during the fifth cycle.

2. This initial framework was then further shaped by a series of consultations and reviews between the Government, UNDP and United Nations system organizations including several programming missions by such agencies as the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO), the International Trade Centre (ITC) and the United Nations Industrial Development Organization (UNIDO). A key point in the preparatory process was the May 1991 submission to the Government of the UNDP Advisory Note reflecting UNDP's views and perceptions on how best to utilize UNDP cooperation for the achievement of selected national development objectives.

3. Throughout the preparatory period, including during the difficult time of the Persian Gulf crisis, a continuous policy dialogue has been maintained between UNDP and the Government as to how to maximize the impact of UNDP cooperation on the country's development priorities in light of the challenges resulting from the crisis and within the framework of the recently approved Medium-Term Structural Adjustment Programme (1992-1998). This dialogue was complemented by field-level consultations with the resident United Nations

system team as well as with bilateral and multilateral partners and non-governmental organizations (NGOs).

II. ANALYTICAL COMMENTARY ON THE FIFTH COUNTRY PROGRAMME

4. The strategy in designing the country programme has been to identify those areas where UNDP cooperation would have a comparative advantage and greater potential for impact compared with other donors, as a result of UNDP's central role and flexible approach to technical cooperation. Although UNDP assistance is limited, it will play a strategic and catalytic role in building national capacity for the design or implementation of national programmes. For example, as a result of UNDP's political and sectoral neutrality, its cooperation has been utilized in supporting macroeconomic management that has been critical in building the national capacity required for the formulation of the structural adjustment programme. By contributing in a strategic manner to the development of national programmes, UNDP will be maximizing the impact of its assistance while helping to move towards a programme approach. An important element of this strategic approach will be to mobilize additional resources through increased Government cost-sharing to the programme, as well as through increased third-party cost-sharing and parallel financing.

5. In line with this strategy and with priority national objectives, the fifth country programme will focus on the following areas of concentration: (a) human resources development, 38 per cent of resources; (b) support to productive sectors, 31 per cent of resources; (c) natural resources management, 15 per cent; and (d) macroeconomic management, 10 per cent.

6. Each area of concentration addresses a critical constraint and is in line with priority national development objectives. The fifth country programme as outlined is consistent with the Medium-Term Structural Adjustment Programme. A certain measure of flexibility will be maintained in UNDP-supported activities in order to respond to emerging priorities that may evolve out of the adjustment process.

7. While impressive results have been achieved in the area of human resources development, the devastating effects of the Persian Gulf crisis on Jordan's economy and society has dictated that careful attention must continue to be paid to this area. Over 300,000 Jordanians, fully 10 per cent of the population, have returned from the neighbouring Gulf States and need to be reintegrated into Jordanian society which is already facing an unemployment rate of 22 per cent. UNDP's technical cooperation within the fifth country programme will continue to support priorities with regard to employment promotion; specific interventions will include assessing job creation methods and techniques to reintegrate the large numbers of returnees into the Jordanian labour force. Efforts will focus on achieving a sound labour market information system, improving policies aimed at reduction of unemployment and strengthening the institutional framework and technical capacity of the Development and Employment Fund (DEF) and the Vocational Training Corporation (VTC).

8. In order to meet a number of such priority national development objectives as increased employment, expansion of exports, and increased food security, the Government is giving high priority to supporting the productive sectors. UNDP technical cooperation will be concentrated on two areas: (a) industrial development and trade promotion; and (b) agriculture. UNDP will support the promotion of industrial production and exports, identifying new investments and employment opportunities, increasing and upgrading industrial productivity and promoting and encouraging private sector initiatives, specifically those regarding medium- and small-sized enterprises. In order to expand agricultural production in a country of such limited water resources, UNDP will also support the efficient utilization of highlands as well as rangeland management.

9. As Jordan's natural resources are relatively scarce, top priority has been accorded to natural resources management with a view both to promoting efficient utilization of existing stocks and to developing new resources in a sustainable fashion. UNDP technical cooperation will support three areas: (a) water; (b) energy; and (c) mineral resources. Efficient and environmentally sound utilization of water resources is of critical importance to the country's future development. UNDP will contribute in this area through support to the reuse of waste water for irrigation purposes and optimization and simulation modelling of surface and groundwater. In the energy sector, UNDP will assist the Government's efforts in determining the feasibility of establishing a national oil company, developing an investment promotion programme for the oil industry and supporting the establishment of an electricity and energy data bank system. Regarding mineral resources, UNDP technical cooperation will focus on building national capacity in mineral investment promotion and on the evaluation of non-metallic mineral deposits.

10. For the fourth area, macroeconomic management, UNDP will maximize both its proven capabilities in this area and its political and sectoral neutrality to advise the Government on the most appropriate macroeconomic policies and measures to follow in addition to supporting the utilization of advanced econometric techniques.

11. In keeping with the spirit of Governing Council decision 90/34, such themes as poverty eradication and grass-roots participation in development, women in development, management development and the environment, will be "mainstreamed" within the four areas of concentration. Technology transfer and technical cooperation among developing countries (TCDC) will cut across the programme as a whole while human development will serve as a frame of reference for UNDP programming in all areas.

III. MANAGEMENT OF COUNTRY PROGRAMME IMPLEMENTATION

12. While the absence of set national development plans has precluded the fifth country programme's following a comprehensive programme approach at the point of formulation, it is expected that such an approach will be adopted as national programmes are determined. The Government is in the process of

formulating a framework of economic policies for the next few years. Unlike previous development plans, this plan of macroeconomic and sectoral priorities would not be a plan of projects, but a plan of policies centred on promoting the private sector as the engine of economic growth. UNDP technical cooperation will support the Government to move towards a programme approach by supporting, where required, its efforts in the determination of these yearly plans or programmes and by supporting implementation of discrete components of such a programme. UNDP will also be assisting the Government move towards a programme approach through its support for building national capacity in macroeconomic management, a capacity that will be critical to developing annual planning frameworks.

13. As Jordan has highly experienced technical and managerial capacity, national execution of UNDP-financed projects will be encouraged; technical experience of the United Nations system will also be sought in the formulation of projects, technical backstopping, monitoring and evaluation of programmes and projects as required. Specialized agencies will also be implementing specific technical components as appropriate.

14. Regardless of the execution modality, there will be increased reliance during the fifth cycle on national expertise. In order to build national programme management and to maximize the impact of scarce UNDP resources on national capacity-building, international expertise will be confined to short consultancies only. Efforts will also be made during implementation of the fifth country programme to maximize the experience of diverse sources of expertise whether national or international; such sources may include indigenous NGOs, other countries at similar levels of development through technical cooperation among developing countries (TCDC) or through the United Nations system including such modalities as the United Nations Volunteers programme (UNV) and specific UNDP-managed facilities such as the Transfer of Knowledge through Expatriate Nationals (TOKTEN) and the United Nations International Short-Term Advisory Resources (UNISTAR).

15. Efforts will also be made to improve programme and project design. Internal monitoring mechanisms will be further improved to ensure efficient and timely implementation and delivery of technical cooperation. Training of government counterpart staff involved in the implementation of projects will continue throughout the fifth cycle with particular emphasis on national execution. The fifth country programme will be subject to regular annual reviews as well as a formal mid-term review in 1994 to reassess priorities in relation to the prevailing socio-economic conditions, and to introduce the necessary adjustments that may be required. Although indicative planning figure (IPF) resources available for the fifth cycle are very limited, and a portion is already committed to ongoing interventions of high priority, emphasis wil be placed on making the programme as flexible as possible in order to respond to priorities emanating from the adjustment process and following the Persian Gulf crisis.

IV. RECOMMENDATION OF THE ADMINISTRATOR

16. The fifth country programme addresses several key national development priorities confronting Jordan as it deals with economic and social challenges emanating from the Persian Gulf crisis while, at the same time, embarking on a Medium-Term Structural Adjustment Programme.

17. The Administrator, therefore, recommends that the Governing Council approve the fifth country programme for Jordan.